

## Message Text

LIMITED OFFICIAL USE

PAGE 01 HONG K 00910 241044Z

12

ACTION EA-10

INFO OCT-01 ISO-00 EUR-12 CIAE-00 DODE-00 PM-03 H-01

INR-07 L-02 NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02

SS-15 USIA-06 SAM-01 SAJ-01 NIC-01 AID-05 COME-00

EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04

SIL-01 OMB-01 AGR-05 /102 W  
----- 023163

R 240830Z JAN 75

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 3597

LIMITED OFFICIAL USE HONG KONG 910

E.O. 11652: N/A

TAGS: ECON CH

SUBJ: ECONOMIC ASPECTS OF CHINA'S NPC (SECOND OF A SERIES):  
PREMIER CHOU'S GOVERNMENT WORK REPORT

REF: HK 818

SUMMARY: FOR THE FIRST TIME IN OVER A DECADE THE PRC HAS  
CONVENED A NATIONAL PEOPLE'S CONGRESS AND APPROVED A GOVERN-  
MENT WORK REPORT. DELIVERED BY PREMIER CHOU EN-LAI, IT MAKES  
REASONABLE CLAIMS OF ECONOMIC PROGRESS, AND SETS MODERATE  
GOALS FOR BOTH 1980 AND THE END OF THE CENTURY. THE REPORT  
MENTIONS NEITHER A NEW LEAP FORWARD NOR AN UPSURGE, BUT THE  
CHANGES ENVISAGED WILL REQUIRE GREAT EFFORTS.. THE REPORT IS  
TEMPERATE IN TONE AND IT EMPHASIZES PLANNED DEVELOPMENT AS  
THE MEANS TO THESE GOALS. BOTH A FIVE YEAR PLAN AND A TEN  
YEAR PLAN WILL BE WRITTEN BY THE STATE AND ALL LEVELS ARE  
CALLED UPON TO DEVELOP THEIR OWN RELATED PLANS. WHAT'S MISS-  
ING, THOUGH, IS MAO'S CLEAR BLESSING OF THESE POLICIES. END  
SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 HONG K 00910 241044Z

1. DESPITE IDEOLOGICAL STATEMENTS TO THE EFFECT THAT THE

CULTURAL REVOLUTION DID AND SOCIALIST REVOLUTION DOES PROMOTE PRODUCTION, THE FOCUS IS ON "TACKLING ECONOMIC TASKS", WORKING HARD TO INCREASE PRODUCTION AND TO SPEED UP CONSTRUCTION WITH GOAL OF BUILDING "A MORE SOLID MATERIAL FOUNDATION" FOR THE PRC'S SOCIALIST SYSTEM. CHOU CLAIMS THAT THE COUNTRY OVERFULFILLED THE THIRD FIVE -YEAR PLAN (FYP) (1966-1970), BUT IN ONE PLACE- IN APPARENT RECOGNITION OF THE PRC'S RECENT ECONOMIC PROBLEMS-- HE SAYS ONLY THAT THE PRC "WILL SUCCESSFULLY FULFILL" THE FOURTH FYP (1971-75). HIS CLAIM OF ECONOMIC PROGRESS IN THE DECADE SINCE 1964 SEEM REASONABLE AND WITH ONLY A FEW EXCEPTIONS SQUARE WITH OUR CURRENT WORKING ESTIMATES (DETAILS IN SEPTTEL).

2. REACHING BACK TO THE THIRDS NPC IN 1964-65 HE CLAIMS TO BE REITERATING THE TWO-STAGE SET OF LONG-TERM ECONOMIC GOALS LAID DOWN THEN. THE FIRST STAGE IS TO BUILD AN "INDEPENDENT AND RELATIVELY COMPREHENSIVE" INDUSTRIAL AND ECONOMIC SYSTEM BEFORE 1980. THE SECOND STAGE IS TO ACCOMPLISH BEFORE THE END OF THE CENTURY "THE COMPREHENSIVE MODERNIZATION" OF AGRICULTURE, INDUSTRY, NATIONAL DEFENSE AND SCIENCE AND TECHNOLOGY SO THAT CHINA'S ECONOMY WILL BE IN THE FRONT RANKS OF THE WORLD. THE REPORT MENTIONS NEITHER A "NEW LEAP FORWARD" NOR AN "UPSURGE" BUT THE CHANGES ENVISAGED ARE A LARGE ORDER AND GREAT EFFORTS WILL BE NECESSARY TO ACHIEVE THEM.

3. CHOU POINTS OUT, VERY REASONABLY, THAT THE NEXT TEN YEARS ARE CRUCIAL FOR ACCOMPLISHING THESE GOALS. THEREFORE, WITH THE OBJECTIVE OF MARCHING BEYOND THE FIRST STAGE GOALS, THE STATE COUNCIL "WILL" DRAW UP A "LONG RANGE" TEN YEAR PLAN (THE NECESSARY TIME HORIZON FOR BROAD INDUSTRIAL PLANNING), FIVE YEAR PLAN AND ANNUAL PLANS. SUBORDINATE UNITS ALONG THE WAY DOWN TO PRODUCTION TEAMS ARE CALLED UPON TO "AROUSE OUR SPLENDID GOAL AHEAD OF TIME". THE ORDER OF PRIORITIES REMAINS AGRICULTURE, LIGHT INDUSTRY AND HEAVY INDUSTRY, WITH NATIONAL DEFENSE GETTING MARKEDLY LESS EMPHASIS THAN IN THE NEW YEAR'S EDITORIAL. THE PHRASE ABOUT GIVING FULL PLAY TO BOTH CENTRAL AND LOCAL INITIATIVE IS CAREFULLY CAVEATED TO PLACE IT "UNDER THE STATE'S UNIFIED PLANNING". ALL IN ALL, THESE PASSAGES CONVEY THE SENSE THAT DEVELOPMENT

LIMITED OFFICIAL USE

PAGE 03 HONG K 00910 241044Z

IS TO BE PLANNED AND CONTROLLED AND THAT STABILITY IS ASSUMED.

4. FOREIGN ECONOMIC POLICY IS PASSED OVER WITH WELL -WORN SHIBBOLETHS FROM MAO ABOUT SELF-RELIANCE, LEARNING FROM BOTH GOOD AND BAD EXPERIENCES OF FOREIGN COUNTRIES, INCURRING NO FOREIGN DEBTS AND INSULATING CHINA FROM THE CRISES OF THE CAPITALIST WORLD. OVERALL, THERE IS A QUALIFIED TILT TOWARD SELF-RELIANCE. AS THE OPENING WORDS OF A MAO QUOTE PUT IT,

WE SHOULD "RELY MAINLY ON OUR OWN EFFORTS, WHILE MAKING EX-  
TERNAL ASSISTANCE SUBSIDIARY". (WE READ THAT PHRASE TO MEAN  
NOT AID BUT EQUIPMENT AND TECHNOLOGY).

5. THE WHOLE TONE OF THE ECONOMIC PASSAGES IN CHOU'S RE-  
PORT IS ONE OF PLANNING, CONTROL, MODERATION AND STABILITY  
IN CHINA. WHAT IS MISSING, HOWEVER, IS SOME CLEAR INDICATION  
THAT CHAIRMAN MAO HAS BLESSED THIS POLICY DIRECTION. HE  
WAS NOT PHYSICALLY PRESENT AND HE PROVIDED NO NEW QUOTATIONS  
TO SANCTIFY THE POLICIES. THE PASSAGE ON PLANNING, WHILE  
SAID TO BE "ON HIS INSTRUCTIONS", IS A PREVIOUSLY UNPUBLI-  
CIZED ONE AND DATES BACK TO AN NPC NOW NOTORIOUS FOR ITS  
ODOR OF LIU-IST POLICIES. ANOTHER STRAW IN THE WIND MAY  
BE CHANG CHUN-CHIAO'S CHARACTERIZATION OF PRIVATE PLOTS  
AND HOUSEHOLD SIDELINE PRODUCTION AS PROVIDING  
"NECESSARY FLEXIBILITY", SUGGESTING ACCEPTANCE OF THEIR  
TEMPORARY NECESSITY. (HK 818).  
CROSS

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC DEVELOPMENT, SPEECHES, PARTY MEETINGS, DEVELOPMENT PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975HONGK00910  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750027-0269  
**From:** HONG KONG  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750124/aaaaaumo.tel  
**Line Count:** 133  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 HK 818  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 11 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <11 JUL 2003 by CunninFX>; APPROVED <14 NOV 2003 by greeneet>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ECONOMIC ASPECTS OF CHINA'S NPC (SECOND OF A SERIES): PREMIER CHOU'S GOVERNMENT WORK REPORT  
**TAGS:** ECON, CH, (CHOU EN-LAI)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006